

ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY

W-01723A
Rincon Water Company
HC #70 Box 3601
Sahuarita, AZ 85629

RECEIVED
MAY 1 2007
ARIZONA CORP COMM
Director Utilities

ANNUAL REPORT

FOR YEAR ENDING

12	31	2006
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FOR COMMISSION USE

ANN 04	06
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PROCESSED BY:

3-19-07 RF

SCANNED

COMPANY INFORMATION

Company Name (Business Name) Rincon Water Company _____

Mailing Address HC #70 Box 3601
(Street)

Sahuarita
(City)

AZ
(State)

85629
(Zip)

(520) 625-1671 (520) 625-1922 N/A
Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

Email Address N/A

Local Office Mailing Address Same as above
(Street)

(City)

(State)

(Zip)

Local Office Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

Email Address _____

MANAGEMENT INFORMATION

Management Contact: _____ Karen Hartwell _____ President _____
(Name) (Title)

HC #70 Box 3601 Sahuarita AZ 85629
(Street) (City) (State) (Zip)

(520) 625-1671 (520) 625-1922 N/A
Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

Email Address N/A

On Site Manager: Same as above
(Name)

(Street)

(City)

(State)

(Zip)

Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

Email Address _____

☐ Please mark this box if the above address(es) have changed or are updated since the last filing.

See accountants' compilation report.

Statutory Agent: Michael R. Urman
(Name)

2525 E. Broadway Blvd. #200 Tucson AZ 85716
(Street) (City) (State) (Zip)

(520) 322-5000 N/A N/A
Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

Attorney: Same as above
(Name)

(Street) (City) (State) (Zip)

Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

☐ Please mark this box if the above address(es) have changed or are updated since the last filing.

OWNERSHIP INFORMATION

Check the following box that applies to your company:

- | | |
|-------------------------------------------------|---------------------------------------------------------------------------|
| <input type="checkbox"/> Sole Proprietor (S) | <input type="checkbox"/> C Corporation (C) (Other than Association/Co-op) |
| <input type="checkbox"/> Partnership (P) | <input checked="" type="checkbox"/> Subchapter S Corporation (Z) |
| <input type="checkbox"/> Bankruptcy (B) | <input type="checkbox"/> Association/Co-op (A) |
| <input type="checkbox"/> Receivership (R) | <input type="checkbox"/> Limited Liability Company |
| <input type="checkbox"/> Other (Describe) _____ | |

COUNTIES SERVED

Check the box below for the county/ies in which you are certificated to provide service:

- | | | |
|-------------------------------------|------------------------------------------|-----------------------------------|
| <input type="checkbox"/> APACHE | <input type="checkbox"/> COCHISE | <input type="checkbox"/> COCONINO |
| <input type="checkbox"/> GILA | <input type="checkbox"/> GRAHAM | <input type="checkbox"/> GREENLEE |
| <input type="checkbox"/> LA PAZ | <input type="checkbox"/> MARICOPA | <input type="checkbox"/> MOHAVE |
| <input type="checkbox"/> NAVAJO | <input checked="" type="checkbox"/> PIMA | <input type="checkbox"/> PINAL |
| <input type="checkbox"/> SANTA CRUZ | <input type="checkbox"/> YAVAPAI | <input type="checkbox"/> YUMA |
| <input type="checkbox"/> STATEWIDE | | |

UTILITY PLANT IN SERVICE

Acct. No.	DESCRIPTION	Original Cost (OC)	Accumulated Depreciation (AD)	O.C.L.D. (OC less AD)
301	Organization	N/A	N/A	N/A
302	Franchises	1,549	N/A	1,549
303	Land and Land Rights	141,718	N/A	141,718
304	Structures and Improvements	80,825	36,135	44,690
307	Wells and Springs	30,316	30,316	0
311	Pumping Equipment	24,992	24,479	513
320	Water Treatment Equipment	N/A	-60,548	60,548
330	Distribution Reservoirs and Standpipes	184,730	106,631	78,099
331	Transmission and Distribution Mains	853,603	306,493	547,110
333	Services	32,041	10,825	21,216
334	Meters and Meter Installations	12,665	6,293	6,372
335	Hydrants	N/A	N/A	N/A
336	Backflow Prevention Devices	N/A	N/A	N/A
339	Other Plant and Misc. Equipment	648	32	616
340	Office Furniture and Equipment	N/A	N/A	N/A
341	Transportation Equipment	1,500	563	937
343	Tools, Shop and Garage Equipment	2,216	942	1,274
344	Laboratory Equipment	N/A	N/A	N/A
345	Power Operated Equipment	N/A	N/A	N/A
346	Communication Equipment	8,833	3,313	5,520
347	Miscellaneous Equipment	2,246	112	2,134
348	Other Tangible Plant	N/A	N/A	N/A
	TOTALS	1,377,882	465,586	912,296

This amount goes on the Balance Sheet Acct. No. 108 

COMPANY NAME: RINCON WATER COMPANY

CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR

Acct. No.	DESCRIPTION	Original Cost (1)	Depreciation Percentage (2)	Depreciation Expense (1x2)
301	Organization	N/A	N/A	N/A
302	Franchises	1,549	N/A	N/A
303	Land and Land Rights	141,718	N/A	N/A
304	Structures and Improvements	80,825	5%	4,041
307	Wells and Springs	30,316	5% (Limited)	0
311	Pumping Equipment	24,992	5%	1,250
320	Water Treatment Equipment	N/A	N/A	N/A
330	Distribution Reservoirs and Standpipes	184,730	5%	9,237
331	Transmission and Distribution Mains	853,603	5%	42,680
333	Services	32,041	5%	1,602
334	Meters and Meter Installations	12,665	5%	633
335	Hydrants	N/A	N/A	N/A
336	Backflow Prevention Devices	N/A	N/A	N/A
339	Other Plant and Misc. Equipment	648	5%	32
340	Office Furniture and Equipment	N/A	N/A	N/A
341	Transportation Equipment	1,500	5%	75
343	Tools, Shop and Garage Equipment	2,216	5%	111
344	Laboratory Equipment	N/A	N/A	N/A
345	Power Operated Equipment	N/A	N/A	N/A
346	Communication Equipment	8,833	5%	442
347	Miscellaneous Equipment	2,246	5%	112
348	Other Tangible Plant	N/A	N/A	N/A
	TOTALS	1,377,882		60,215

This amount goes on the Comparative Statement of Income and Expense _____
Acct. No. 403.

See accountants' compilation report.

BALANCE SHEET

Acct .No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	ASSETS		
	CURRENT AND ACCRUED ASSETS		
131	Cash	\$2,199	\$18,564
134	Working Funds	N/A	N/A
135	Temporary Cash Investments	94,212	94,567
141	Customer Accounts Receivable	3,618	3,486
146	Notes/Receivables from Associated Companies	N/A	N/A
151	Plant Material and Supplies	N/A	N/A
162	Prepayments	N/A	N/A
174	Miscellaneous Current and Accrued Assets	N/A	N/A
	TOTAL CURRENT AND ACCRUED ASSETS	\$100,029	\$116,617
	FIXED ASSETS		
101	Utility Plant in Service	\$1,364,197	\$1,377,882
103	Property Held for Future Use	N/A	N/A
105	Construction Work in Progress	30,000	30,000
108	Accumulated Depreciation – Utility Plant	-405,371	-465,586
121	Non-Utility Property	N/A	N/A
122	Accumulated Depreciation – Non Utility	N/A	N/A
	TOTAL FIXED ASSETS	\$988,826	\$942,296
	TOTAL ASSETS	\$1,088,855	\$1,058,913

NOTE: The Assets on this page should be equal to **Total Liabilities and Capital** on the following page.

BALANCE SHEET (CONTINUED)

Acct. No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	LIABILITIES		
	CURRENT LIABILITES		
231	Accounts Payable	\$3,139	\$1,108
232	Notes Payable (Current Portion)	N/A	N/A
234	Notes/Accounts Payable to Associated Companies	N/A	N/A
235	Customer Deposits	9,456	13,632
236	Accrued Taxes	202	202
237	Accrued Interest	N/A	N/A
241	Miscellaneous Current and Accrued Liabilities	115,771	125,351
	TOTAL CURRENT LIABILITIES	\$128,568	\$140,293
	LONG-TERM DEBT (Over 12 Months)		
224	Long-Term Notes and Bonds	\$ N/A	\$ N/A
	DEFERRED CREDITS		
251	Unamortized Premium on Debt	\$ N/A	\$ N/A
252	Advances in Aid of Construction	814,838	811,962
255	Accumulated Deferred Investment Tax Credits	N/A	N/A
271	Contributions in Aid of Construction	141,875	141,875
272	Less: Amortization of Contributions	N/A	N/A
281	Accumulated Deferred Income Tax	N/A	N/A
	TOTAL DEFERRED CREDITS	\$956,713	\$953,837
	TOTAL LIABILITIES	\$1,085,281	\$1,094,130
	CAPITAL ACCOUNTS		
201	Common Stock Issued	\$588,857	\$588,857
211	Paid in Capital in Excess of Par Value	141,073	141,073
215	Retained Earnings	-726,356	-765,147
218	Proprietary Capital (Sole Props and Partnerships)	N/A	N/A
	TOTAL CAPITAL	\$3,574	\$-35,217
	TOTAL LIABILITIES AND CAPITAL	\$1,088,855	\$1,058,913

COMPARATIVE STATEMENT OF INCOME AND EXPENSE

Acct. No.	OPERATING REVENUES	PRIOR YEAR	CURRENT YEAR
461	Metered Water Revenue	\$36,826	\$46,586
460	Unmetered Water Revenue	N/A	N/A
474	Other Water Revenues	N/A	N/A
	TOTAL REVENUES	\$36,826	\$46,586
	OPERATING EXPENSES		
601	Salaries and Wages	\$ N/A	\$ N/A
610	Purchased Water	N/A	N/A
615	Purchased Power	2,424	2,544
618	Chemicals	N/A	N/A
620	Repairs and Maintenance	9,373	10,524
621	Office Supplies and Expense	250	253
630	Outside Services	8,246	8,190
635	Water Testing	898	882
641	Rents	N/A	N/A
650	Transportation Expenses	N/A	N/A
657	Insurance – General Liability	8,779	9,665
659	Insurance - Health and Life	1,095	1,294
666	Regulatory Commission Expense – Rate Case	45	45
675	Miscellaneous Expense	371	419
403	Depreciation Expense	59,530	60,215
408	Taxes Other Than Income	N/A	N/A
408.11	Property Taxes	2,927	4,240
409	Income Tax	N/A	N/A
	TOTAL OPERATING EXPENSES	\$93,938	\$98,271
	OPERATING INCOME/(LOSS)	\$-57,112	\$-51,685
	OTHER INCOME/(EXPENSE)		
419	Interest and Dividend Income	\$2,029	\$4,114
421	Non-Utility Income	9,000	9,360
426	Miscellaneous Non-Utility Expenses	N/A	N/A
427	Interest Expense	-334	-580
	TOTAL OTHER INCOME/(EXPENSE)	\$10,695	\$12,894
	NET INCOME/(LOSS)	\$-46,417	\$-38,791

SUPPLEMENTAL FINANCIAL DATA**Long-Term Debt**

	LOAN #1	LOAN #2	LOAN #3	LOAN #4
Date Issued	N/A	N/A	N/A	N/A
Source of Loan	N/A	N/A	N/A	N/A
ACC Decision No.	N/A	N/A	N/A	N/A
Reason for Loan	N/A	N/A	N/A	N/A
Dollar Amount Issued	\$N/A	\$N/A	\$N/A	\$N/A
Amount Outstanding	\$N/A	\$N/A	\$N/A	\$N/A
Date of Maturity	N/A	N/A	N/A	N/A
Interest Rate	N/A%	N/A%	N/A%	N/A%
Current Year Interest	\$N/A	\$N/A	\$N/A	\$N/A
Current Year Principle	\$N/A	\$N/A	\$N/A	\$N/A

Meter Deposit Balance at Test Year End \$N/A

Meter Deposits Refunded During the Test Year \$N/A

COMPANY NAME: RINCON WATER COMPANY

WATER COMPANY PLANT DESCRIPTION

WELLS

ADWR ID Number*	Pump Horsepower	Pump Yield (gpm)	Casing Depth (Feet)	Casing Diameter (Inches)	Meter Size (inches)	Year Drilled
607531	15	1550	280	12	4	1982
607532	Capped	N/A	N/A	N/A	N/A	N/A
607533	5	40	101	24	2	1982

* Arizona Department of Water Resources Identification Number

OTHER WATER SOURCES

Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)
N/A		

BOOSTER PUMPS		FIRE HYDRANTS	
Horsepower	Quantity	Quantity Standard	Quantity Other
40	1	20	
30	2		
60	1		

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity
186,000	1	5,000	1
20,000	1		
140,000	1		

See accountants' compilation report.

COMPANY NAME RINCON WATER COMPANY

Name of System

ADEQ Public Water System Number (if applicable) 10144

WATER COMPANY PLANT DESCRIPTION (CONTINUED)

MAINS

Size (in inches)	Material	Length (in feet)
2	PVC	1,000
3	N/A	N/A
4	PVC	6,100
5	N/A	N/A
6	Transite	40,900
8	N/A	N/A
10	N/A	N/A
12	N/A	N/A
6	PVC	33,033
8	PVC	2,377

CUSTOMER METERS

Size (in inches)	Quantity
5/8 X 3/4	N/A
3/4	N/A
1	64
1 1/2	N/A
2	N/A
Comp. 3	N/A
Turbo 3	N/A
Comp. 4	N/A
Tubo 4	N/A
Comp. 6	N/A
Tubo 6	N/A

For the following three items, list the utility owned assets in each category for each system.

TREATMENT EQUIPMENT:

__NONE__

STRUCTURES:

Water plant with 2 buildings and a pond all located in a fenced site.

OTHER:

__N/A__

Note: If you are filing for more than one system, please provide separate sheets for each system.

COMPANY NAME RINCON WATER COMPANY **YEAR ENDING 12/31/2006**

PROPERTY TAXES

Amount of actual property taxes paid during Calendar Year 2006 was: \$ 4,240.35

Attach to this annual report proof (e.g. property tax bills stamped “paid in full” or copies of cancelled checks for property tax payments) of any and all property taxes paid during the calendar year.

If no property taxes paid, explain why.

Rincon Water Company
Purchase Journal

For the Period From Apr 1, 2006 to Apr 30, 2006

Filter Criteria includes: Report order is by Date. Report is printed in Detail Format.

Date	Account ID Account Description	Invoice/CM #	Line Description	Debit Amount	Credit Amount
4/11/06	76100 Property Tax	2ND HALF	922-32-00006	904.26	
	76100 Property Tax		205-85-004U7	263.56	
	76100 Property Tax		205-84-01400	57.23	
	76100 Property Tax		205-85-00301	211.05	
	20000 Accounts Payable		PIMA COUNTY TREASURER		1,436.10
				1,436.10	1,436.10

RINCON WATER CO., INC.
HC 70, BOX 3601 PH. 520-624-1671
SAHUARITA, AZ 85629

91-2118
1221
14335039

1822

DATE 4-11-06

Pay to the order of Butt Ford Pima County Treasurer \$ 1436.10

Fourteen hundred thirty six and 10/100 DOLLARS

BANK ONE.
Bank One, NA
Phoenix, Arizona 85073
www.bankone.com

MEMO Karen Hartwell NP

⑆122100024⑆ 14335039⑆1822

Security Features
Included
Details on Back

Caption

PIMA COUNTY

2005 PROPERTY TAX STATEMENT

ARIZONA

BOOK	STATE CODE #	MAP	PARCEL	AREA CODE	PRIMARY TAX RATE PER \$100 ASSESSED VALUE	SECONDARY TAX RATE PER \$100 ASSESSED VALUE	IRRIGATION DISTRICT \$ PER ACRE
205	85	004U7	2000	2000	10.2361	3.8432	

VALUE IN DOLLARS	ASSESSMENT RATIO	ASSESSED VALUE IN DOLLARS	EXEMPTIONS	NET ASSESSED VALUE
LIMITED 23,400	16.0	3,744		3,744
FULL CASH 23,400	16.0	3,744		3,744
PERSONAL PROPERTY				

JURISDICTION	2005 TAXES	2004 TAXES	DIFFERENCE
PIMA COUNTY PRI	152.45	149.08	3.37
SCHOOL EQUAL.	16.32	16.69	.37
VAIL SCH #20 PRI	173.55	180.11	6.56
PIMA COLLEGE PRI	40.92	40.79	.13
COUNTY BONDS SEC	26.77	30.51	3.74
VAIL SCH #20 SEC	79.21	77.92	1.29
PIMA COLLEGE SEC	8.18	8.56	.38
CEN ARIZ WTR SEC	4.49	4.49	0.00
PIMA CO FLD SEC	14.03	13.28	.75
LIBRARY DISTRICT	9.64	7.95	1.69
FIRE DIST ASSIST	1.57	1.60	.03
TOTAL TAX DUE FOR 2005	527.13	530.98	3.85

6872 S VIA PINQUING PG

PTH PCL 76 X 6 RANCH RS 1/40 PTH 3/4 5-20 AC

SEC 16-15-17

PAYMENT INSTRUCTIONS

To pay the 1st half installment, send the 1st half coupon with your payment postmarked no later than Nov. 1, 2005. To pay the 2nd half installment, send the 2nd half coupon with your payment postmarked no later than May 1, 2006. The minimum acceptable payment is \$10 or 10% of the payment due, whichever is greater.

0184535 01 AC 0.275 **AUTOCR T7 0 0781 85629-930601

AUTOCR**H-070



RINCON WATER CO
HC #70 BOX 3601
SAHUARITA AZ 85629-9306

Please make your check payable to

Beth Ford, Pima County Treasurer
and mail to:

Beth Ford
Pima County Treasurer
PO Box 98765
Phoenix AZ 85038-0765



PLEASE INCLUDE YOUR
STATE CODE NUMBER
ON YOUR CHECK.

THERE WILL BE A \$25 CHARGE FOR EACH RETURNED CHECK
AND YOUR TAXES WILL REVERT TO AN UNPAID STATUS.

PIMA COUNTY

2005 PROPERTY TAX STATEMENT

ARIZONA

BOOK	STATE CODE #	MAP	PARCEL	AREA CODE	PRIMARY TAX RATE PER \$100 ASSESSED VALUE	SECONDARY TAX RATE PER \$100 ASSESSED VALUE	IRRIGATION DISTRICT \$ PER ACRE
205	85	00301	2000	2000	10.2361	3.8432	

	VALUE IN DOLLARS	ASSESSMENT RATIO	ASSESSED VALUE IN DOLLARS	EXEMPTIONS	NET ASSESSED VALUE
LIMITED	11,993	25.0	2,998		2,998
FULL CASH	11,993	25.0	2,998		2,998
PERSONAL PROPERTY					

	JURISDICTION	2005 TAXES	2004 TAXES	DIFFERENCE
PRIMARY PROPERTY TAX	PIMA COUNTY PRI	122.08	122.08	0.00
LESS STATE AID TO EDUCATION	SCHOOL EQUAL.	13.06	13.67	.61
NET PRIMARY PROPERTY TAX	VAIL SCH #20 PRI	138.97	147.49	8.52
SECONDARY PROPERTY TAX	PIMA COLLEGE PRI	32.77	33.41	.64
	COUNTY BONDS SEC	21.44	24.43	2.99
	VAIL SCH #20 SEC	63.43	62.39	1.04
	PIMA COLLEGE SEC	6.55	6.85	.30
	CEN ARIZ WTR SEC	3.60	3.60	0.00
	PIMA CO FLD SEC	11.23	10.63	.60
	LIBRARY DISTRICT	7.72	6.37	1.35
	FIRE DIST ASSIST	1.26	1.28	.02
TOTAL TAX DUE FOR 2005		422.11	432.20	10.09

17850 E CACTUS HILL RD PC
250 X 350' W/1 PARCEL IN S/4 NE/4 S/16 AC
SEC 16-1E-17
TOTAL VALUE OF OPERATING PROPERTY TAXPAYER
GROUP NO. 223

PAYMENT INSTRUCTIONS

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0184534 01 AC 0.275 **AUTOCR T7 0 0781 85629-930601

AUTOCR**H-070



RINCON WATER COMPANY
ATTN: KAREN HARTWELL
HC 70 BOX 3601
SAHUARITA AZ 85629-9306

Please make your check payable to

Beth Ford, Pima County Treasurer
and mail to:

Beth Ford
Pima County Treasurer
PO Box 98765
Phoenix AZ 85038-0765



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ARIZONA

PLEASE INCLUDE YOUR
STATE CODE NUMBER
ON YOUR CHECK.

PIMA COUNTY

2005 PROPERTY TAX STATEMENT

ARIZONA

BOOK	STATE CODE #	PARCEL MAP	AREA CODE	PRIMARY TAX RATE PER \$100 ASSESSED VALUE	SECONDARY TAX RATE PER \$100 ASSESSED VALUE	IRRIGATION DISTRICT \$ PER ACRE
922	32	00006	2000	10.2361	3.8432	

ASSESSMENT	VALUE IN DOLLARS	ASSESSMENT RATIO	ASSESSED VALUE IN DOLLARS	EXEMPTIONS	NET ASSESSED VALUE
LIMITED	927	25.0	232		232
FULL CASH	927	25.0	232		232
PERSONAL PROPERTY	51,830	25.0	12,958		12,958

2005 TAX SUMMARY		JURISDICTION	2005 TAXES	2004 TAXES	DIFFERENCE
PRIMARY PROPERTY TAX	1,350.15	PIMA COUNTY PRI	537.10	618.50	81.40
LESS STATE AID TO EDUCATION	.00	SCHOOL EQUAL.	57.48	69.26	11.78
NET PRIMARY PROPERTY TAX	1,350.15	VAIL SCH #20 PRI	611.40	747.25	135.85
SECONDARY PROPERTY TAX	458.38	PIMA COLLEGE PRI	144.17	169.25	25.08
TOTAL TAX DUE FOR 2005	1,808.53	COUNTY BONDS SEC	94.31	123.79	29.48
		VAIL SCH #20 SEC	279.06	316.10	37.04
		PIMA COLLEGE SEC	28.81	34.71	5.90
		CEN ARIZ WTR SEC	15.83	18.23	2.40
		PIMA CO FLD SEC	.87	3.01	2.14
		LIBRARY DISTRICT	33.96	32.26	1.70
		FIRE DIST ASSIST	5.54	6.49	.95

TOTAL VALUE OF OPERATING PROPERTY
TAXPAYER GROUP NO. 223

TOTALS 1,808.53 2,138.85 330.32

PAYMENT INSTRUCTIONS

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0206445 01 AC 0.275 **AUTOCR T6 2 0781 85629-930601

AUTOCR**H-070



RINCON WATER COMPANY
ATTN: KAREN HARTWELL
HC 70 BOX 3601
SAHUARITA AZ 85629-9306

Please make your check

payable to
and mail to:

Beth Ford
Pima County Treasurer
PO Box 98765
Phoenix AZ 85038-0765



PLEASE INCLUDE YOUR
STATE CODE NUMBER
ON YOUR CHECK.

THERE WILL BE A \$25 CHARGE FOR EACH RETURNED CHECK
AND YOUR TAXES WILL REVERT TO AN UNPAID STATUS.

PIMA COUNTY TREASURER'S OFFICE

TAX PAYMENT RECEIPT

Paid Date 11/01/2006

Batch Number I061101131

Paid by Code 01

RINCON WATER CO
HC 70 BOX 3601
SAHUARITA, AZ 85629

Method Amount

CK \$2,804.25

Total Amount Paid \$2,804.25

Total Tax Amount Paid \$2,804.25

Total Interest Amount Paid \$0.00

Total Refund Due \$0.00

PARCEL NUMBER	TAX PAID	INTEREST PAID	TOTAL PAID	PAYMENT TYPE	LEGAL DESCRIPTION
20585004U	\$329.48	\$0.00	\$329.48	FIRST HALF	PTN PCL 76 X-9 RANCH RS 1/40 PTN SW4 5.20 AC SEC 16-15-17
205850030	\$197.08	\$0.00	\$197.08	FIRST HALF	250' X 650' M/L PARCEL IN SW4 NE4 3.69 AC SEC 16-15-17 TOTAL VALUE OF OPERATING PROPERTY-TAXPAYER GROUP NO 223
205840140	\$53.40	\$0.00	\$53.40	FIRST HALF	200' X 200' WELLSITE IN SE4 SE4 .92 AC SEC 15- 15-17 AKA WELLSITE IN LOT 86 X9 RANCH PHASE 5 SURVEY BK 3

					PG 28 TOTAL VALUE OF OPERATING PROPERTY- GROUP 2
20585009C	\$16.50	\$0.00	\$16.50	FIRST HALF	100' X 100' WELLSITE IN CENTER PTN OF S2 NE4 .23 AC SEC 16-15-17 AKA PT LOTS 70 X 71 X- 9 RANCH PHASE IV RS 1/40 TOTAL VALUE OF OPERATING PROPERTY- GROUP 2
20577006C	\$16.50	\$0.00	\$16.50	FIRST HALF	IRR PCL IN LOT 24 .038 AC SEC 10-15-17 MINESHAFT TOTAL VALUE OF OPERATING PROPERTY - TAXPAYER GROUP NO 223
20585004R	\$10.73	\$0.00	\$10.73	FIRST HALF	W TRI PTN NW4 SW4 .05 AC SEC 16-15-17 AKA W TRI PTN LOT 76 RS 1/40
205647200	\$8.03	\$0.00	\$8.03	FIRST HALF	MOUNTAIN CREEK RANCH WELL SITE CAGRD 0 (10735/147)
922320000	\$1,592.59	\$0.00	\$1,592.59	FULL YEAR	TOTAL VALUE OF OPERATING PROPERTY TAXPAYER GROUP NO 223
20585004U	\$329.48	\$0.00	\$329.48	SECOND HALF	PTN PCL 76 X-9 RANCH RS 1/40 PTN SW4 5.20 AC SEC 16-15-17
205850030	\$197.07	\$0.00	\$197.07	SECOND HALF	250' X 650' M/L PARCEL IN SW4 NE4 3.69 AC SEC 16-15-17 TOTAL VALUE OF OPERATING PROPERTY-TAXPAYER GROUP NO 223
205840140	\$53.39	\$0.00	\$53.39	SECOND HALF	200' X 200' WELLSITE IN SE4 SE4 .92 AC SEC 15- 15-17 AKA WELLSITE IN LOT 86 X9 RANCH PHASE 5 SURVEY BK 3

PG 28 TOTAL VALUE OF
OPERATING PROPERTY-
GROUP 2



IMAGES

AKU DOG1161131

RINCON WATER CO., INC.
HC 70, BOX 3601 PH. 520-824-1871
SAHUARITA, AZ 85629

91-2118 1874
1221
14335039
9-15-06
DITI

Pima County Treasurer
Twenty eight hundred and 25/100 \$ 2804.25

BANK ONE.
JPMorgan Chase Bank, N.A.
Phoenix, Arizona 85073

as attached

Karen Hartwell

11221000241 14335039 1874 0000280425

005540420960 NOV 06 #0000001874 \$2,804.25

**VERIFICATION
AND
SWORN STATEMENT
Taxes**

RECEIVED

048 1 7 007

12 CORP COMM
Director Utilities

VERIFICATION

STATE OF _____

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME) **PIMA**

NAME (OWNER OR OFFICIAL) TITLE **KAREN HARTWELL, PRESIDENT**

COMPANY NAME **RINCON WATER COMPANY**

DO SAY THAT THIS ANNUAL UTILITY PROPERTY TAX AND SALES TAX REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2006

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

I HEREBY ATTEST THAT ALL PROPERTY TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.

I HEREBY ATTEST THAT ALL SALES TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.

Karen Hartwell
SIGNATURE OF OWNER OR OFFICIAL

(520) 625-1671

TELEPHONE NUMBER

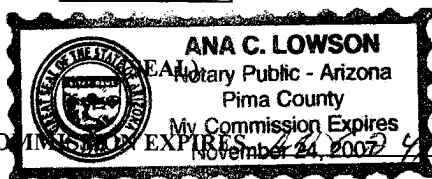
SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

12

DAY OF



MY COMMISSION EXPIRES November 24, 2007

COUNTY NAME

Pima

MONTH

March

2007

[Signature]

SIGNATURE OF NOTARY PUBLIC

See accountants' compilation report.

COMPANY NAME RINCON WATER COMPANY YEAR ENDING 12/31/2006

INCOME TAXES

For this reporting period, provide the following:

Federal Taxable Income Reported -0-
Estimated or Actual Federal Tax Liability -0-

State Taxable Income Reported -0-
Estimated or Actual State Tax Liability -0-

Amount of Grossed-Up Contributions/Advances:

Amount of Contributions/Advances -0-
Amount of Gross-Up Tax Collected -0-
Total Grossed-Up Contributions/Advances -0-

Decision No. 55774 states, in part, that the utility will refund any excess gross-up funds collected at the close of the tax year when tax returns are completed. Pursuant to this Decision, if gross-up tax refunds are due to any Payer or if any gross-up tax refunds have already been made, attach the following information by Payer: name and amount of contribution/advance, the amount of gross-up tax collected, the amount of refund due to each Payer, and the date the Utility expects to make or has made the refund to the Payer.

CERTIFICATION

The undersigned hereby certifies that the Utility has refunded to Payers all gross-up tax refunds reported in the prior year's annual report. This certification is to be signed by the President or Chief Executive Officer, if a corporation; the managing general partner, if a partnership; the managing member, if a limited liability company or the sole proprietor, if a sole proprietorship.

Karen Hartwell
SIGNATURE

3-7-07
DATE

Karen Hartwell
PRINTED NAME

President
TITLE

**VERIFICATION
AND
SWORN STATEMENT**
Intrastate Revenues Only

RECEIVED

MAY 14 2007

W. CORP COMM
Director Utilities

VERIFICATION

STATE OF _____

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME) **PIMA**

NAME (OWNER OR OFFICIAL) TITLE **KAREN HARTWELL, PRESIDENT**

COMPANY NAME **RINCON WATER COMPANY**

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2006

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING CALENDAR YEAR 2006 WAS:

Arizona Intrastate Gross Operating Revenues Only (\$)

\$ 49,626.63

(THE AMOUNT IN BOX ABOVE
INCLUDES \$ 3,040.82
IN SALES TAXES BILLED, OR COLLECTED)

****REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED OR COLLECTED. IF FOR ANY OTHER REASON, THE REVENUE REPORTED ABOVE DOES NOT AGREE WITH TOTAL OPERATING REVENUES ELSEWHERE REPORTED, ATTACH THOSE STATEMENTS THAT RECONCILE THE DIFFERENCE. (EXPLAIN IN DETAIL)**

Karen Hartwell
SIGNATURE OF OWNER OR OFFICIAL

(520) 625-1671

TELEPHONE NUMBER

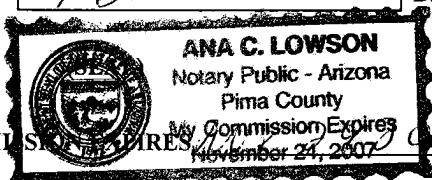
SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

12

DAY OF



MY COMMISSION EXPIRES

COUNTY NAME

Pima

MONTH

MARCH

2007

Ana C. Lowson
SIGNATURE OF NOTARY PUBLIC

See accountants' compilation report.

**VERIFICATION
AND
SWORN STATEMENT
RESIDENTIAL REVENUE
Intrastate Revenues Only**

RECEIVED

MAR 14 2007

AZ COHP COMM
Director Utilities

VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME) PIMA	
NAME (OWNER OR OFFICIAL) KAREN HARTWELL	TITLE PRESIDENT
COMPANY NAME RINCON WATER COMPANY	

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2006

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2006 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES

\$ 49,626.63

THE AMOUNT IN BOX AT LEFT

INCLUDES \$ 3,040.82
IN SALES TAXES BILLED, OR COLLECTED)

*RESIDENTIAL REVENUE REPORTED ON THIS PAGE
MUST INCLUDE SALES TAXES BILLED.

Karen Hartwell
SIGNATURE OF OWNER OR OFFICIAL

(520) 625-1671

TELEPHONE NUMBER

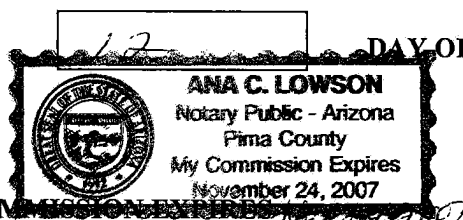
SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS 12 **DAY OF**

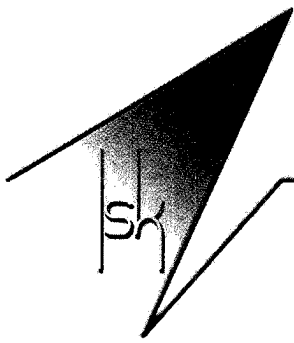
(SEAL)

MY COMMISSION EXPIRES NOVEMBER 24, 2007



NOTARY PUBLIC NAME <u>Ana C. Lowson</u>	
COUNTY NAME <u>Pima</u>	
MONTH <u>MARCH</u>	YEAR <u>2007</u>

X Ana C. Lowson
SIGNATURE OF NOTARY PUBLIC



Ludwig, Schacht & Klewer, PLLC

certified public accountants & consultants

Christopher Wm. Ludwig
Wendy G. Schacht
Julie S. Klewer

ACCOUNTANTS' COMPILATION REPORT

Rincon Water Company
Sahuarita, Arizona

We have compiled the annual report to the Arizona Corporation Commission, Utilities Division, for the year ended December 31, 2006 for Rincon Water Company included in the accompanying prescribed form in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

Our compilation was limited to presenting in the form prescribed by the Arizona Corporation Commission, Utilities Division, information that is the representation of management. We have not audited or reviewed the financial statements referred to above and, accordingly, do not express an opinion or any other form of assurance on them.

The financial and statistical information, including other disclosures, are presented in accordance with the requirements of the Arizona Corporation Commission, Utilities Division, which differ from generally accepted accounting principles. Accordingly, the financial statements are not designed for those who are not informed about such differences.

Ludwig, Schacht & Klewer, PLLC

February 22, 2007